



Let's Do Something Real About High Gas Prices

By U.S. Sen. John Cornyn

One of many things that unite Texans is this: we drive. It's a big state, and cars and trucks are essential to getting around. But with gas prices close to \$3 per gallon, a stop at the gas station has rarely been as painful as it is now.

Some people simply can't afford the \$50 or more that it costs to fill up today. It's a serious situation for some, and critical for others.

Whenever we have economic disruptions like this, citizens understandably look to the government to do something. In an election year, there's no shortage of ideas. My goal is to make certain that any government action actually helps resolve the underlying problem, and isn't simply a stunt to make politicians look good.

Gasoline prices are higher, in large part, because there is increased global demand for oil. International tensions that threaten energy supplies, such as concern over Iran's nuclear weapons plans, also contribute to higher prices.

Congress can do many things, but it cannot repeal the law of supply and demand. Countries such as India and China are industrializing rapidly and buying more oil. If demand grows, and supply of energy isn't increased, then prices will rise. Our goal should be increasing the supply of energy – through new production, conservation, and developing alternative sources – all to meet this demand, not to make headlines or score political points.

Some proposals, including some from my political party, quite frankly do little to address that long-term supply-and-demand situation. A governor from a neighboring state recently asked the oil and gas industry to send him \$50 million, so he could distribute what would amount to \$25 checks to his citizens. It made the news headlines, but it's not going to happen. And it would have had zero impact on the price of gas. I prefer to look for more permanent, and effective policy changes.

First, we have to diversify and expand our domestic energy sources. We rely too much on foreign oil. We should also expand use of clean nuclear energy, and use the 300 years of coal available in this country to make more power in a clean and environmentally sensitive way.

Where it's available, we should produce more oil in the U.S. We can explore and produce in small parts of rural Alaska and offshore, in deep water areas beyond our coastline – without endangering the environment.

We have to eliminate unreasonable regulations that artificially reduce our energy supplies. We've not built a new refinery in the U.S. for 30 years because of excessive restrictions. Refiners are required to produce a bewildering array of "boutique" gasoline grades, and that only complicates fuel production and drives up the price.

Federal and state governments are already providing major incentives for conservation and development of alternative sources such as wind power and solar power. These efforts are worthwhile and should be pursued.

What I'm describing is the heart of the Bush administration's energy policy. But at almost every turn, politicians have played to special interest groups and thrown up roadblocks, delaying – by several years – an effective response to our growing energy shortage.

Instead of maximizing our ability to produce energy, some politicians are exploiting sky-high energy prices to make political hay. A favorite target this spring is oil companies, major employers in our state which are reporting very high quarterly earnings.

But at a hearing we held earlier this year, the U.S. Senate learned that oil firms are using their profits to increase supply – by reopening marginal wells, drilling new ones, building pipelines and expanding refinery capacity where possible, and hiring more Texans to develop and distribute these resources. If we want a growing economy, this path is the only way toward an eventual easing of gasoline prices.

Instead, what we are getting in Washington is the usual blame game. I hope it stops before we approve legislation that makes the energy problem even more severe than it is today.

Sen. Cornyn is a member of the following Senate Committees: Armed Services, Judiciary, Budget, Small Business and Entrepreneurship, and Joint Economic. He is also the chairman of the subcommittees on Immigration, Border Security and Citizenship and Emerging Threats and Capabilities. He served previously as Texas Attorney General, Texas Supreme Court Justice and Bexar County District Judge